

SCHEDULE EP

ENERGY PURCHASE

APPLICABILITY:

This schedule is applicable to qualifying customer-owned and operated generating alternating current (AC) facilities operating in parallel with the City's electric distribution system. The customer-generator must currently be, or will be, served by the City of Lodi Electric Utility (LEU).

Generating facilities must be rated 1 MW_{CEC-AC} or less, located on the customer-generator's premises, and intended for the purpose of offsetting a part or all of the customer-generator's own electrical requirements. In no case shall the energy, capacity, and/or other attributes be available for resale by the customer.

This schedule is available only to customers who do not otherwise qualify for compensation for customer-owned generation under another LEU rate schedule or contract.

RATES:

Energy Charges:

Customer will be billed for all usage at the applicable service rate in effect when the electric service was rendered in accordance with the eligible customer-generator's otherwise applicable rate schedule based on metered usage for energy delivered and received after the customer-generator serves its own instantaneous load.

Energy Purchase Credit:

Credit will be provided to the customer for all metered customer-generated energy that exceeds the energy consumed, and is therefore exported to LEU's distribution system, at a rate equal to the avoided cost to LEU; the specific value of which will be determined and updated annually by LEU based on the following components: avoided energy and transmission costs, environmental attribute value (if applicable, based on generation type), avoided system loss, and avoided capacity value.

Energy Purchase Credit values will be published each year by June 1 on LEU's website and provided to customers receiving service under this schedule.

The above charges and credits will be determined in accordance with LEU's metering specifications. LEU reserves the right to install additional metering equipment for statistical and/or billing purposes.

BILLING:

For each billing month, the customer shall receive a bill including all applicable Energy Charges, including, but not limited to, customer charges, energy charges, demand charges, and any surcharges, taxes, and/or discounts in accordance with their otherwise applicable

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rate schedule. The bill will also include all applicable Energy Purchase Credits which shall be used to offset the Energy Charges in a given billing month. Any credit(s) remaining at the end of each billing month shall carry forward and be applied to the customer's next monthly electric bill. Any outstanding charges will be due and payable at the end of each billing month. Monthly customer charges, public benefit charges, and all other surcharges shall be non-bypassable.

SPECIAL CONDITIONS:

Other conditions shall apply to this schedule as specified in the City of Lodi Electric Utility Department's Rules and Regulations, as updated from time to time, and Engineering Standards and Specifications (including metering requirements) which are available for review on LEU's website.

Customers will be responsible for any and all metering and interconnection charges as required to provide service under this schedule. Said charges will be determined and updated annually by LEU and be based on the cost(s) associated with providing service under this schedule. A schedule of charges will be available on LEU's website.

Any capacity or environmental attributes associated, now or in the future, with the credited excess energy produced by the customer-generator at sites subject to this schedule shall belong to the City. Capacity attributes include, but are not limited to, system, local, and/or flexible resource adequacy capacity, if any. Environmental attributes include, but are not limited to, Renewables Portfolio Standard eligible resources, renewable energy credits, greenhouse gas credits, and/or emission reduction credits, if any.

LEU reserves the right to require a contract should it determine the customer-owned generator does not otherwise meet the specified applicability requirements to qualify under this schedule or another LEU rate schedule.

Customers currently taking service under Schedule NEM shall continue to be billed in accordance with Schedule NEM for 20 years from the date of interconnection of their existing customer-owned generation facility, after which time they will be given the option to take service under this Schedule EP in order to continue to receive credit for their customer-owned generation.